



State Board of Equalization

News Release

Michelle Steel, Member

3rd District – Rolling Hills Estates

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Michelle Steel: 11th Consecutive Quarterly Drop in California Gasoline Consumption *4th Quarter 2008 Gas Use Declined 4.8%; Diesel Use Drops 9.6%*

Michelle Steel, Third District Member of the State Board of Equalization (BOE), today released gasoline and diesel consumption figures for December and complete figures for the fourth quarter of 2008.

The fourth quarter of 2008 marks the eleventh consecutive three-month period to show less gas consumption. In the fourth quarter of 2008, Californians used 187 million gallons less than the fourth quarter 2007, which is a decline of 4.8 percent. For all of 2008, California gas consumption declined 4.1 percent, a much larger decrease than the 1.0 percent drop in 2007.

(Editor's note – please see the attached chart showing year over year quarterly gasoline consumption comparison for the last 11 consecutive quarters from 2006 through 2008).

Comparing monthly gasoline consumption over the same month a year earlier, gasoline consumption declined 6.3 percent in December 2008 from December 2007. Californians consumed a total of 1.26 billion gallons of gasoline in December, which is 85 million gallons below the same month in 2007. The average California gasoline price at the pump in December was \$1.87 per gallon, a 44.2 percent change from the average price the same month last year when it was \$3.35.

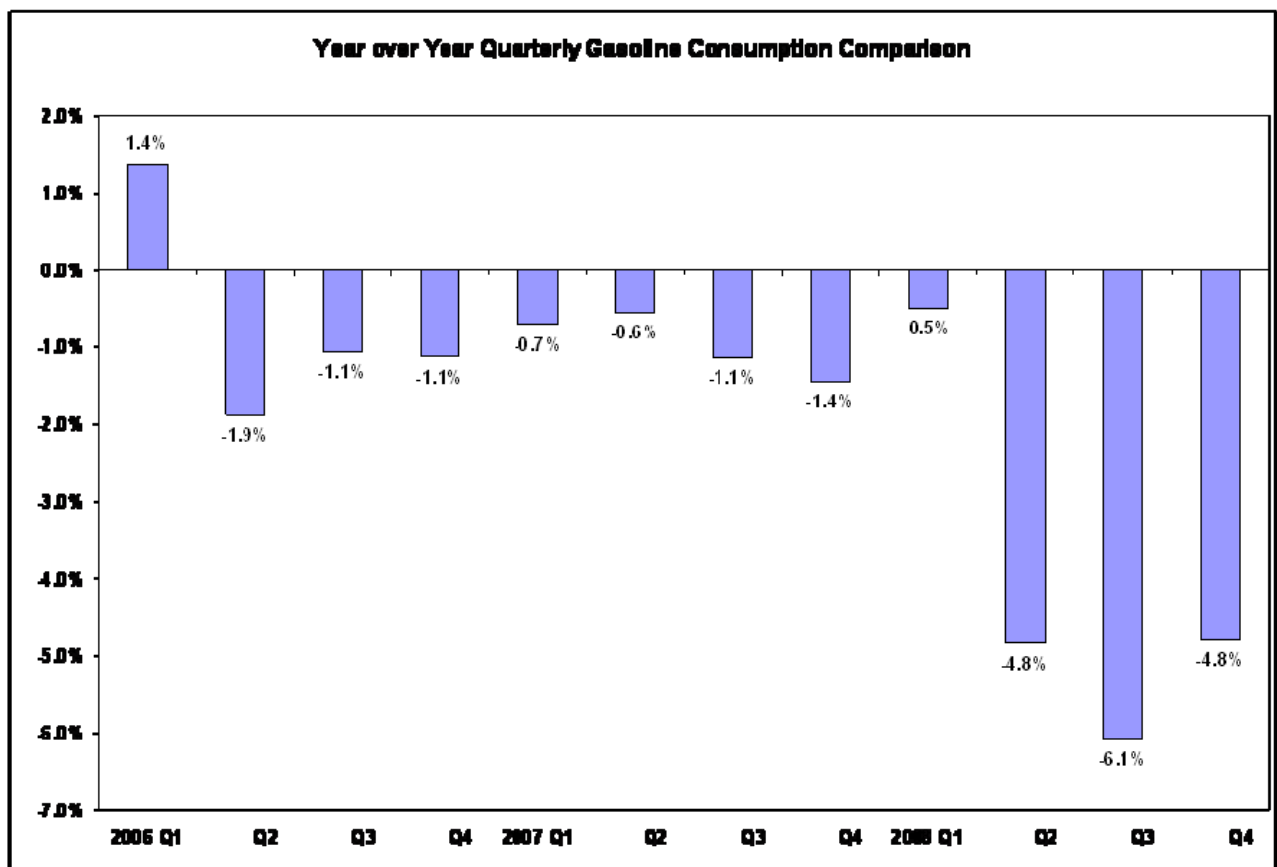
Diesel consumption in California declined 9.6 percent in the fourth quarter of 2008 from the fourth quarter in 2007. A total of 680 million gallons of diesel fuel was sold in the fourth quarter of 2008, which is 72.5 million gallons less than the fourth quarter 2007. For all of 2008, California diesel consumption decreased 8.3 percent, reflecting the impacts of the national recession that is associated with much less freight movement on California roads and highways.

Diesel fuel sold for use on California roads in December 2008 declined 9.2 percent over December 2007; the total used was 223.4 million gallons, which is 22.6 million gallons below the year before. With the effects of the recession, diesel consumption declined despite a steep decrease in prices. California diesel prices were \$2.35 in December 2008 down 32.5 percent compared to December 2007 when the average diesel price was \$3.48.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for January 2009 are scheduled to be available at the end of April 2009. All monthly, quarterly, and annual figures can be viewed on the BOE website at: www.boe.ca.gov/sptaxprog/spftrpts.htm.

Taxable Gasoline Gallons: www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf

Taxable Diesel Gallons: www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf



Elected to the Board of Equalization in 2006, Michelle Steel serves as Southern California's elected taxpayer advocate. In 2008, Steel uncovered a \$42 million mistake in the agency's sales tax refund procedures. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes.

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